

## Message Text

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44

ACTION TRSE-00

INFO OCT-01 ARA-16 ISO-00 STR-08 L-03 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01

/105 W

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P 291437Z MAR 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 1970

UNCLAS BOGOTA 2632

PLS PASS TREASURY

EO 11652: NA

TAGS: ETRD CO

SUBJ: COUNTERVAILING DUTY - TAX CREDITS

REF: BOGOTA A-50; EDDY-BREWER TELECON

1. TAX CREDIT CERTIFICATES FOR EXPORTS (CAT) "ARE FREEDLY NEGOTIABLE, EXEMPT FROM ALL TYPES OF TAXES, AND UTILIZABLE FOR THE PAYMENT OF THOSE OF INCOME, SALES AND CUSTOMS." IN 1973, CAT'S WERE USED TO PAY 1,456 MILLION PESOS WORTH OF TAX OBLIGATIONS (OVER US \$60 MILLION), REPRESENTING ALMOST 15 PERCENT OF TOTAL CURRENT REVENUE COLLECTIONS. UTILIZATION WAS 776 MILLION FOR INCOME TAX, 227 MILLION SALES TAX, 435 MILLION CUSTOMS DUTIES, 17 MILLION GASOLINE TAX, AND ONE MILLION FOR OTHER PENALTIES AND TAXES.

2. CAT'S CANNOT BE EXCHANGED FOR CASH BUT BEING FREELY NEGOTIABLE ARE REGULARLY TRADED ON BOGOTA AND MEDELLIN STOCK EXCHANGES. DURING 1973 CAT'S WITH NOMINAL VALUE OF 1,156 MILLION PESOS WERE TRADED ON BOGOTA EXCHANGE WITH AVERAGE PRICE OF 94.82 PESOS FOR NOMINAL VALUE OF 100. VOLUME IN MEDELLIN WAS 256 MILLION NOMINAL VALUE OF TRANSACTIONS WITH AVERAGE PRICE OF 95.23.

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THESE TOTALS INCLUDE CAT'S OF VARYING MATURITY SO THAT AVERAGE

PRICES DO NOT APPLY TO SPECIFIC MATURITY PERIOD. PRICE OF 91.05  
QUOTED ON BOGOTA EXCHANGE MARCH 27 FOR CAT'S MATURING IN AUGUST.

3. COLOMBIA HAS TWO TAXES KNOWN AS COMPLEMENTARY TAXES. ONE IS  
EXCESS PROFITS TAX ON INCOME IN EXCESS OF 26 PERCENT OF NET  
WEALTH. SECOND IS NET WEALTH OR NET WORTH TAX IMPOSED ON INDIV-  
IDUALS AND ESTATES ONLY. BOTH TAXES ARE COMPLEX BUT EMB WILL  
BE HAPPY TO SUPPLY ANY DETAILS REQUIRED.  
VAKY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, TAX LAW, COUNTERVAILING DUTIES, EXPORT SUBSIDIES, TAX INCENTIVES, TAX RELIEF  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BOGOTA02632  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740069-0493  
**From:** BOGOTA  
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**Legacy Key:** link1974/newtext/t1974035/aaaaaehx.tel  
**Line Count:** 70  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** BOGOTA A-50; EDDY-BREWER TELECON  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08-Aug-2002 by elbezejf>; APPROVED <12 DEC 2002 by shawdg>  
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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COUNTERVAILING DUTY - TAX CREDITS  
**TAGS:** ETRD, CO, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005